

<b>MEETING:</b>	<b>SCHOOLS FORUM</b>
<b>DATE:</b>	<b>29<sup>TH</sup> SEPTEMBER 2009</b>
<b>TITLE OF REPORT:</b>	<b>REPORT OF THE BUDGET WORKING GROUP 25<sup>TH</sup> JUNE 2009</b>
<b>FINANCIAL SERVICES</b>	<b>MALCOLM GREEN</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To consider the recommendations of the Budget Working Group meeting of 25<sup>th</sup> June 2009.

### **Key Decision**

This is not a Key Decision.

### **Recommendation**

**THAT Schools Forum:**

**Approves the deletion of the following four factors from the funding formula for primary and high schools for 2010/11**

- 1. Extended Schools**
- 2. Site Specific – Pre-fabrication buildings**
- 3. Site Specific – Exposed Location**
- 4. School Specific – Kitchens on Site**

### **Key Points Summary**

- Extended Schools factor (£152k) – is less relevant as activities are now funded significantly from other sources (e.g. Standards Fund and Area Based Grant)
- The other three factors ( £8k) – allocate a small amount of money

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Further information on the subject of this report is available from  
Malcolm Green (01432) 260818

## **Alternative Options**

- 1 The alternative options are that the funding factors are not deleted from the funding formula or deferred until April 2011 when other formula changes arising from this review may be implemented.

The Budget Working Group considered that these factors in the formula allocate a small amount of money or are now less relevant and could be removed with little impact on the schools affected. Any significant changes to funding would be mitigated by the Minimum Funding Guarantee.

## **Reasons for Recommendations**

- 2 Recommendations from the Budget Working Group of 25<sup>th</sup> June 2009.

## **Introduction and Background**

- 3 The Budget Working group was tasked by Forum to review the current funding formula with a view to presenting recommendations to Schools Forum for implementation by April 2011. Schools Forum Minute 83 also invited proposals for formula amendments in exceptional circumstances for immediate implementation if considered desirable by the Budget Working Group.

## **Key Considerations**

### **REVIEW OF HEREFORDSHIRE SCHOOLS FUNDING FORMULA**

#### **1. Review of Current Formula**

The Group discussed the merits of the current formula and it was generally agreed that the approach was sensible. A curriculum/activity based approach was rejected as changing curriculum requirements may cause swings in funding and it was likely to be too costly.

The Group reviewed a summary of the existing formula factors to identify which elements should be subject to further investigation and which could be adjusted for April 2010.

#### **2. Factors Discussed in Detail**

##### **AWPU (Age Weighted Pupil Unit)**

There is a historical Department for Children, Schools and Families requirement that the AWPU accounts for in excess of 70% of total funding although it was noted that this has to some extent been superseded by Central Expenditure Limit controls.

As part of the review Malcolm Green will investigate AWPU's for comparable local authorities and advise the Group how we compare. The Group will also consider whether the differences in primary and high school funding are appropriate, particularly the differences between years 6 and 7.

##### **Class Size Grant**

Despite being a small amount of money (£204k) it was agreed that the current allocation method provides an effective focus in allocating funds where needed. It was noted that the allocation assumes no mixing of KS1 and KS2 pupils, and that the Group did not know to what

extent classes were mixed in small schools.

### **Social Deprivation - Personalised Learning Free School Meals (FSM)%**

The current formula accounts for 50% of the total funding for Social Deprivation and the use of FSM% means that a small change in numbers causes a disproportionate change in funding. Further clarification of the formula is required to determine why there is a difference between primary (£24.52) and high (£89.87) funding factors.

Social Deprivation factors will be subject to a more detailed review, to include the consideration of cash limiting funding and reducing the emphasis of using FSM factors.

### **Small Schools Curriculum Protection**

It was acknowledged that whilst this factor did need reviewing it was likely to some extent to be affected by the Schools' Task Group review. 79% of primary schools and 54% of high schools receive funding through this factor and the Group will consider whether the current parameters (200 pupils for primary and 655 for high) are appropriate for Herefordshire schools.

### **SEN Hours Above 10/Midday Supervision**

Affects only a few schools and the factors allocate £17k in total. The Group will consider whether allocation can cease for April 2010 or whether it is more appropriate for funding to drop off as pupils leave. Most pupils are expected to leave in July 2009.

### **School Specific – Management/Premises Flat Rates**

The flat rates represent fixed costs and the Group will consider whether it is feasible to increase the flat rates which should reduce the need for small schools protection funding.

### **Teachers' Pay Grant**

It was agreed that schools had little choice in paying the upper pay scale and it is therefore appropriate that funding continues.

### **PFI Factor – Whitecross High School**

The Group questioned why £172k relating to the PFI factor was paid from the Dedicated Schools' Grant when it was the Council's responsibility to pay it.

### **Budget Adjustment – Learning Skills Council**

The Group asked that an alternative method of presentation of the LSC budget adjustment be considered to avoid it showing as a negative allocation.

## **3. Factors Recommended for Removal From April 2010**

Some factors in the formula allocate a small amount of money or are now less relevant and it was agreed that to simplify the formula factors they could be removed with little impact on the schools affected. Any significant changes to funding would be mitigated by the Minimum Funding Guarantee.

### **Extended Schools (£152k)**

Funding was originally provided from the Dedicated Schools Grant to fund a co-ordinator for each partnership but it was considered that Extended Schools activities are now funded significantly from other sources (e.g. Standards Fund and Area Based Grant). Employment of a co-ordinator is not mandatory.

#### **Site Specific – Pre-fabricated buildings**

Less than £3k is allocated with the majority of qualifying schools receiving under £200

#### **Site Specific – Exposed Location**

Allocated less than £1k in 2009/10 across three schools

#### **School Specific – Kitchens on Site**

Schools are allocated £182 if they have a kitchen on site and the total allocation in 2009/10 was only £4k.

### **Community Impact**

4 None assessed.

### **Financial Implications**

5 The proposed deletion of the four factors will permit approximately £160,000 to be reallocated as part of the 2010/11 Schools Budget.

### **Legal Implications**

6 These proposals comply with the council's legal duties.

### **Risk Management**

7 There is a small risk that some schools may be disadvantaged by the withdrawal of these formula factors however any significant changes to funding would be mitigated by the Minimum Funding Guarantee as required by DCSF. Schools Forum will consider the full 2010/11 Schools Budget including the possible re-allocation of this £160,000

### **Consultees**

8 There is a statutory requirement that Schools Forum is consulted on local authority proposals for formula changes. No further consultation other than Schools Forum is required.

### **Appendices**

9 None

### **Background Papers**

Agenda and reports of the Schools Forum Budget Working Group 25<sup>th</sup> June 2009.